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GREEN ENERGY GROUP LIMITED

綠色能源科技集團有限公司*

(incorporated in Bermuda with limited liability)

(Stock Code: 979)

**DISCLOSEABLE TRANSACTION:
PROVISION OF SHAREHOLDER'S LOAN TO A JV COMPANY FOR ITS
INVESTMENT IN PLASTIC/SCRAP RECYCLING BUSINESS**

FORMATION OF JOINT VENTURE IN HONG KONG

The Board is pleased to announce that on 22 August 2019, Casson China Limited (“**Casson**”) (a wholly-owned subsidiary of Green Energy Group Limited (“**Company**”, together with its subsidiaries, the “**Group**”)) entered into a joint venture agreement (“**JV Agreement**”) with Blue Sky Global Holdings Limited (“**Blue Sky**”) and CLO (Hong Kong) Limited (“**CLO**”) (Casson, Blue Sky and CLO are collectively referred to as the “**JV Partners**”), pursuant to which the JV Partners have agreed to form a joint venture by each becoming a shareholder of Recycled Plastics Pellets Manufacturing (Kobe) Company Limited (“**JV Company**”) to carry on the business of plastic waste recycling and processing. It is also the intention of the JV Partners that the JV Company shall carry on the said business in Japan through a subsidiary to be incorporated in Japan (“**JV Subsidiary**”).

To the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, each of Blue Sky, CLO and their respective ultimate beneficial owners are an Independent Third Party.

As at the date of the JV Agreement, the JV Company is a wholly-owned subsidiary of Casson. Pursuant to the JV Agreement, Casson will transfer (i) 3,400 shares to Blue Sky at the price of HK1.00 per share payable in cash in full and (ii) 1,500 shares to CLO at the price of HK1.00 per share payable in cash in full upon execution of the JV Agreement. After completion of the said transfer of shares, Casson will hold 51% of the entire issued shares of the JV Company whereas Blue Sky and CLO will respectively hold 34% and 15% of the entire issued shares of the JV Company.

* For identification purpose only

On 22 August 2019, Casson and the JV Company entered into a Shareholder's Loan Agreement, pursuant to which Casson has agreed to lend and the JV Company has agreed to borrow a shareholder's loan of an amount up to USD1,500,000.00 (the "**Shareholder's Loan**").

THE SHAREHOLDER'S LOAN AGREEMENT

Date

22 August 2019

Parties

- (i) Casson
- (ii) JV Company

Principal amount

Up to USD1,500,000.00 (equivalent to approximately HK\$11,700,000.00)

Interest rate

0.3% per annum

Date of repayment

18 months (or, in the event that it is adjudged by the JV Subsidiary's accountant and/or the tax authority in Japan that a profits tax of 34% or more is payable by the JV Subsidiary (without any deductions and/or concessions), within 24 months) from the date of full operation of the 2 sets of machines ("**Machines**") which shall be purchased and used for the JV Subsidiary's business.

Security

Share Charge in respect of the entire issued shares of the JV Company held by Blue Sky duly executed in favour of Casson

Default interest rate

12% per annum

INFORMATION ON THE GROUP AND THE JV PARTNERS

The Group is principally engaged in the business of recycling waste construction and plastic materials, the provision of waste processing services, the development in renewable energy and money lending.

Blue Sky carries on the principal business of plastic waste recycling and advisory.

CLO carries on the principal business of investment and advisory.

FUNDING OF THE SHAREHOLDER'S LOAN

The Shareholder's Loan is funded by net proceeds from the placing of new shares of the Company, completion of which took place on 24 July 2019.

REASONS FOR AND BENEFITS OF THE TRANSACTIONS

The Board believes that the principal business of the JV Company is in line with the plastic/metal scrap recycling business segment of the Group. Taking into account Blue Sky's substantial industry experience and expertise in relation to plastic waste recycling, the Directors consider that the joint venture will create synergy effect to the Group's current business, and allow the Group to expand the revenue base of its existing business and broaden its customer and supplier networks in relation to its plastic/metal scrap recycling business segment and will facilitate the further business development of this business segment. The Board is of the view that the terms of the JV Agreement are on normal commercial terms and are fair and reasonable and in the interests of the Group and its shareholders as a whole.

The terms of the Shareholder's Loan Agreement were negotiated between Casson and the JV Company and were determined with reference to the working capital requirements for the operation of the JV Company and/or the JV Subsidiary. It is expected that part of the Shareholder's Loan will be used to finance the purchase of the Machines for use by the JV Subsidiary and the provision of the Shareholder's Loan to the JV Company is in line with the strategic business development of the Group. In addition, given that interest income would be generated from the Shareholder's Loan, the Board is of the view that the terms of the Shareholder's Loan Agreement are on normal commercial terms and are fair and reasonable and in the interests of the Group and its shareholders as a whole.

LISTING RULES IMPLICATIONS

The transaction contemplated under the JV Agreement does not constitute a notifiable transaction or a connected transaction for the Company under Chapters 14 and 14A of the Listing Rules.

For the transactions contemplated under the Shareholder's Loan Agreement, as the relevant percentage ratio in respect of the granting of the Shareholder's Loan to the JV Company exceed 5% but is less than 25%, the entering of the Shareholder's Loan Agreement constitutes a discloseable transaction and is therefore subject to the notification and announcement requirements under Chapter 14 of the Listing Rules.

On behalf of the Board
Green Energy Group Limited
Luo Xian Ping
Chairman

Hong Kong, 22 August 2019

As at the date of this announcement, the Company has two executive Directors, namely Mr. Luo Xian Ping and Mr. Ho Wai Hung, and three independent non-executive Directors, namely Mr. Tam Chun Wa, Mr. Sze Cheung Pang and Mr. Wong Sai Hung.